

**WHOLESALE REQUIREMENTS SERVICE SALES AGREEMENT
FOR INTERRUPTIBLE RATE CONTRACT CUSTOMERS**

THIS WHOLESALE REQUIREMENTS SERVICE SALES AGREEMENT ("Agreement") dated as of October 11, 2001, is by and between NORTHEAST UTILITIES SERVICE COMPANY ("NUSCO" or "Buyer") on behalf of the WESTERN MASSACHUSETTS ELECTRIC COMPANY ("WMECO") and ("Seller"). The Seller and the Buyer together are the Parties and each individually is a Party to this Agreement.

WITNESSETH:

WHEREAS, pursuant to the Massachusetts Electricity Restructuring Act, Chapter 164 of the Acts of 1997, the Buyer must procure electricity for the purpose of providing Massachusetts Standard Offer Service and Massachusetts Default Service to all end-use consumers of electricity within its traditional retail service territory ("Retail Customers"), including those customers that purchase retail electric service from WMECO under interruptible rate contracts as of the Effective Date of this Agreement ("Interruptible Customers"), that do not otherwise receive electricity from a competitive electric supplier as defined in the Act; and

WHEREAS, the Buyer issued a Request for Proposals dated September 7, 2001, for full requirements service to supply all of the contract load of the Interruptible Customers (the "Interruptible RFP"); and

WHEREAS, NUSCO carefully evaluated the responses to the Interruptible RFP, including the response submitted by the Seller, and concluded that the Seller is a qualified bidder pursuant to the Interruptible RFP, and that the Seller's offer to supply all of the generation services for the contract load of the Interruptible Customers meets the standards for selection in the Interruptible RFP; and

WHEREAS, this Agreement sets forth the rates, terms and conditions under which the Seller will supply full requirements service as necessary to serve all of the contract load of the Interruptible Customers during the term of this Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the Parties to this Agreement covenant and agree as follows:

1. Definitions

As used throughout this Agreement, the following terms shall have the definitions set forth in this Article 1.

- 1.1 **“Business Day”** means a day on which Federal Reserve member banks in New York City are open for business; and a Business Day shall start at 8:00 a.m. and end at 5:00 p.m. Eastern Standard (or Daylight Savings) time.
- 1.2 **“Contract Load Quantity”** means the aggregate Firm Service and Interruptible Service loads of the Interruptible Customers, defined as a monthly total, for which the Seller is obligated to supply SOS Interruptible Service pursuant to Section 3 of this Agreement. The Contract Load Quantity shall be equal to one hundred percent of the electric supply requirements of the Interruptible Customers and shall be calculated in accordance with Appendix A.
- 1.3 **“Delivery Efficiency Factor”** means 0.9346. The Delivery Efficiency Factor represents a recent historic 12-month ratio of actual customer usage (billed sales) to the System Retail Load defined in Appendix A.
- 1.4 **“Delivery Point”** means the points where the WMECO non-PTF transmission or distribution system interconnects to the NEPOOL low-voltage PTF.
- 1.5 **“Delivery Services”** means the combination of Regional Network Service (“RNS”) over NEPOOL PTF acquired pursuant to the NEPOOL open access transmission tariff, Local Network Service (“LNS”) over the Buyer’s Non-PTF pursuant to the Northeast Utilities Operating Companies’ open access transmission tariff, and distribution services under the Buyer’s distribution service tariff that are provided by the Buyer for the delivery of SOS Interruptible Service. Delivery Services shall not include Power Services, NEPOOL PTF electrical losses, or congestion charges (other than those directly imposed on and billed to the Buyer by ISO in connection with RNS supplied under the NEPOOL open access transmission tariff), all of which shall be the responsibility of the Seller.
- 1.6 **“Electrical Losses”** means the electric energy losses of the electric system associated with the transmission, transformation, and distribution of SOS Interruptible Service between supply sources and WMECO’s Retail Customers.
- 1.7 **“Firm Contract Demand”** is the maximum level of demand, in kilowatts, that the Interruptible Customers are entitled to receive as Firm Service under their applicable Interruptible Rate Contracts.
- 1.8 **“Firm Service”** means the portion of SOS Interruptible Service, up to the aggregate Firm Contract Demands of all the Interruptible Customers, that the Seller is obligated to supply and Buyer is obligated to purchase on a continuous, uninterruptible basis under this Agreement. Firm Service shall include Power Services, all Electrical Losses, all uplift charges, and all congestion charges (other than those directly imposed on and

billed to the Buyer by ISO in connection with RNS supplied under the NEPOOL open access transmission tariff).

- 1.9 **“Interruptible Rate Contract”** means the retail service tariff or agreement between WMECO and an Interruptible Customer, under which WMECO provides retail service that is interruptible, in part, at the direction of the ISO or the Buyer, in order to maintain system reliability as specified in the applicable retail service agreements or tariff.
- 1.10 **“Interruptible Service”** means the portion of SOS Interruptible Service in excess of the level of Firm Service that the Seller is obligated to supply under this Agreement. Interruptible Service is subject to interruption solely at the direction of the ISO or the Buyer in order to maintain system reliability in accordance with the provisions of the applicable Interruptible Rate Contracts. Interruptible Service requirements include Power Services, all Electrical Losses, all uplift charges, and all congestion charges (other than those directly imposed on and billed to the Buyer by ISO in connection with RNS supplied under the NEPOOL open access transmission tariff). Interruptible Service does not include the NEPOOL product Installed Capability. The ISO currently recognizes Interruptible Service load as a resource available for reliability-based curtailment.
- 1.11 **“Interruptible Service Off-Peak”** means the Interruptible Service provided during those hours that are not defined as on-peak hours, as specified in Section 1.11.
- 1.12 **“Interruptible Service On-Peak”** means the Interruptible Service provided during those hours ending 0800 through 2300 Monday through Friday, Eastern Standard (or Daylight Savings) Time, including holidays (the “on-peak hours”).
- 1.13 **“ISO”** means ISO New England Inc., the Independent System Operator for the NEPOOL Control Area, or any successor thereto.
- 1.13 **“Massachusetts Default Service”** means the service provided by the Buyer to a Retail Customer who is not receiving electricity from a competitive supplier or receiving Massachusetts Standard Offer Service or interruptible service and who from time to time during the Term of this Agreement is in a customer group receiving Default Service under rules established by the Massachusetts Department of Telecommunications and Energy (“DTE”).
- 1.14 **“Massachusetts Standard Offer Service”** means the service provided by the Buyer to a Retail Customer who is not receiving electricity from a competitive supplier or receiving Massachusetts Default Service or interruptible service. Massachusetts Standard Offer Service is available to a Retail Customer of record on March 1, 1998 who is presently receiving Massachusetts Standard Offer Service. Massachusetts Standard Offer Service is also available to a Retail Customer who has met the DTE’s eligibility requirements for low-income customers at any time. In addition, a Retail

Customer receiving electricity from a public aggregator, as set forth in G.L. c. 164, Section 134, is eligible for Massachusetts Standard Offer Service within 180 days of the date when the Retail Customer first began to receive such public aggregation service.

- 1.15 **“NEPOOL”** means the New England Power Pool, the power pool created by and operated pursuant to the provisions of the Restated NEPOOL Agreement, or any successor to the New England Power Pool.
- 1.16 **“NEPOOL Control Area”** means the geographic area in which the ISO is responsible for maintaining transmission lines within established security limits and for balancing the sum of internal generation and net interchange with the control area load at all times in order to maintain system stability, reliability and frequency within acceptable limits.
- 1.17 **“NEPOOL PTF”** means the facilities categorized as Pool Transmission Facilities (“PTF”) as defined in the Restated NEPOOL Agreement. Generally, the NEPOOL high voltage PTF is 230 kV and above; the NEPOOL low voltage PTF is 69 kV up to 230 kV.
- 1.18 **“Power Services”** means the services which are necessary to serve SOS Interruptible Service under the Restated NEPOOL Agreement, including: (i) Energy, (ii) Installed Capability (except with respect to Interruptible Service); (iii) 30-Minute Operating Reserves; (iv) 10 Minute Spinning Reserves; (v) 10-Minute Non-Spinning Reserves, (vi) Automatic Generation Control, and (vii) any other products or services required from time to time for SOS Interruptible Service.
- 1.19 **“Restated NEPOOL Agreement”** means the Restated NEPOOL Agreement dated as of September 1, 1971, as amended and restated from time to time, governing the relationship among the NEPOOL participants. The Restated NEPOOL Agreement includes any successor agreement approved by the Federal Energy Regulatory Commission.
- 1.20 **“SOS Interruptible Service”** means all the obligations associated with the combination of Firm Service, Interruptible Service On Peak and Interruptible Service Off Peak that the Seller is required to deliver at the Delivery Point as specified in Section 3.1.
- 1.21 **“Supplier Billing Amount”** means the appropriate portion of the monthly Contract Load Quantity multiplied by the Delivery Efficiency Factor. The Supplier Billing Amount has three components, corresponding to Firm Service, Interruptible Service On Peak, and Interruptible Service Off Peak.
- 1.22 **“Term”** means the period during which the Seller is obligated to supply SOS Interruptible Service pursuant to this Agreement. The Term shall be for one (1)

calendar year commencing at the hour ending 0100 on January 1, 2002, and terminating at the hour ending at 2400 on December 31, 2002, unless this Agreement is terminated earlier pursuant to its terms.

2 Effective Date and Filing

- 2.1 This Agreement shall be binding on the Parties as of the date it is executed by both Parties (“Effective Date”); provided that the purchase of SOS Interruptible Service by the Buyer shall be subject to obtaining all necessary regulatory authorizations.
- 2.2 The Parties shall promptly, after execution hereof, work together to make such filings with the Federal Energy Regulatory Commission (“FERC”) as may be required to give effect to this Agreement. Each Party shall bear its own costs of supporting any such FERC filing.
- 2.3 Promptly after execution hereof, the Buyer shall submit this Agreement to the DTE for its approval. The Buyer shall bear the cost of the DTE filing described above except for any costs associated with the Seller’s intervention. The Buyer shall request that the DTE give confidential treatment to the identity of the Seller and the credit terms of this Agreement, which is the result of a competitive solicitation held by the Buyer. Seller shall prepare a redacted copy of the Agreement for Buyer’s submission to the DTE.
- 2.4 In the event that the DTE does not accept this Agreement, or if the Agreement is filed with FERC and FERC does not accept this Agreement, or if the DTE and/or FERC grants a conditional approval that creates a material adverse economic impact on a Party, the adversely affected Party may seek to negotiate such changes to this Agreement as may be necessary to restore the balance of consideration hereunder while simultaneously complying with the DTE, and/or FERC orders. If the Parties are unable to negotiate such changes that are satisfactory to each Party within five (5) Business Days after the DTE, and/or FERC order(s), either Party shall have the right to terminate this Agreement by giving five (5) days written notice to the other Party, in which event the Agreement shall be null and void and of no further force and effect from and after the date of termination. In the event that the DTE does not accept the changes negotiated by the Parties under this Section 2.2, either Party shall have the right to terminate this Agreement upon no less than five (5) Business Days written notice to the other Party in which case this Agreement shall be null and void and of no further force and effect from and after the date of termination.
- 2.5 In the event this Agreement terminates after DTE approval but prior to the end of the Term, the non-defaulting Party shall disclose to the defaulting Party all brokerage fees, commissions and other economic losses and gains reasonably incurred by the non-defaulting Party, as a result of terminating this Agreement and any identifiable hedges or other risk management contracts if seeking payment for such amounts pursuant to this Agreement.

- 2.5 The applicable provisions of this Agreement shall continue in effect after expiration of the Term (or earlier termination as provided herein) to the extent necessary to provide for final accounting, final billing, billing adjustments, resolution of any billing dispute, resolution of any court or administrative proceeding and final payments. All indemnity and confidentiality obligations and audit rights shall survive the termination of this Agreement.

3 Sale and Purchase of SOS Interruptible Service

- 3.1 SOS Interruptible Service is the wholesale power delivered at the Delivery Point that is supplied in quantities reflecting the full requirements for power of the Interruptible Customers. SOS Interruptible Service shall vary in quantity based on the consumption patterns of the Interruptible Customers and shall be provided in such amounts as are required for the Buyer to serve the Contract Load Quantity at all times throughout the Term.

SOS Interruptible Service is all of the Power Services that are or may be necessary to provide Firm Service and Interruptible Service during the Term, and shall include, as obligations of the Seller, all of the present and future requirements and associated costs for Power Services. In providing SOS Interruptible Service, Seller shall be responsible for all present and future charges of the ISO associated with NEPOOL membership and all charges associated with supplying Power Services and any other future products, services and requirements of NEPOOL and the ISO associated with Firm Service and Interruptible Service, including all Electrical Losses, all uplift charges, and all congestion charges (other than congestion charges directly imposed on and billed to the Buyer by ISO in connection with RNS supplied under the NEPOOL open access transmission tariff).

SOS Interruptible Service also shall include such transmission and distribution delivery services, as may be required for the Seller to deliver SOS Interruptible Service from its generation source(s) to the Delivery Point.

- 3.2 The Seller shall provide SOS Interruptible Service and sell to the Buyer the Contract Load Quantity.
- 3.3 The Buyer shall receive and purchase SOS Interruptible Service delivered by the Seller in accordance with this Agreement.
- 3.4 The Seller shall own or procure sufficient power supplies and ancillary services to provide SOS Interruptible Service throughout the Term, and shall schedule all such power supplies and ancillary services with the ISO for use by the Buyer in accordance with the provisions of the Restated NEPOOL Agreement and the applicable operating procedures of the ISO. The Seller shall be responsible for all transmission and

distribution delivery costs, if any, required to deliver SOS Interruptible Service from its generation source(s) that are not interconnected to the NEPOOL PTF.

- 3.5 The Buyer shall procure and be responsible for Delivery Services in order to accomplish the delivery of SOS Interruptible Service across the NEPOOL PTF and to the Interruptible Customers taking SOS Interruptible Service, throughout the Term.
- 3.6 For the entire Term, the Seller shall be a member of NEPOOL with its settlement account established in accordance with the rules of the ISO.
- 3.7 The Seller and the Buyer shall comply with the procedures, rules and regulations of the ISO and NEPOOL and the requirements of the Restated NEPOOL Agreement as they may apply to the purchase, sale and delivery of SOS Interruptible Service.
- 3.8 The Seller shall be responsible for forecasting the Contract Load Quantity for purposes of meeting its supply obligation hereunder on a monthly, daily and hourly basis, for the full Term. The Buyer will supply the Seller with (1) any updates or material changes to the Buyer's forecasts made during the Term, and (2) the same WMECO estimated Supplier hourly loads the Buyer submitted to the ISO within 37 hours on Business Days after the close of the day. The Buyer shall exercise reasonable efforts to submit hourly loads to the Seller as soon as practicable after they have been submitted to the ISO.
- 3.9 It is understood and agreed that the Seller must forecast Interruptible Customer loads and acquire power supplies in order to provide SOS Interruptible Service under this Agreement during the Term. The Buyer shall promptly notify the Seller of any events or notices which may cause WMECO to cease to supply the electric service requirements of Interruptible Customers that are included as part of the SOS Interruptible Service under this Agreement, or events or notices which may change the Customer's Interruptible Service load to Firm Service load under this Agreement. Such events or notices include, but are not limited to any notices Buyer may receive from Interruptible Customer(s) or events indicating that: (1) an Interruptible Customer intends to terminate service under its Interruptible Rate Contract; (2) an Interruptible Customer will become an uninterruptible customer of WMECO, such that Seller will supply Buyer with Firm Service for said customer under this Agreement; (3) an Interruptible Customer will become an uninterruptible customer of WMECO, as applicable, under their Standard Offer Service or Default Service programs; or (4) an Interruptible Customer will begin taking service from an alternative electric supplier. Buyer agrees that no material amendments or modifications to a WMECO Interruptible Rate Contract will be made without prior notice to the Seller.
- 3.10 In the event that an Interruptible Customer terminates its Interruptible Rate Contract, Seller's Contract Load Quantity under this Agreement shall be reduced by the load of such Customer on the first day of the next calendar month in which the Buyer is required to allow the Customer to terminate its Interruptible Rate Contract.

- 3.11 The Buyer shall make commercially reasonable efforts to assist the ISO to ensure that Interruptible Customers are appropriately interrupted in accordance with their Interruptible Rate Contracts. The Buyer shall be responsible for communicating to the Interruptible Customer the actions initiated and communicated to the Buyer by the ISO associated with the dispatch of such Interruptible Customer's load as a Type 2, Interruptible Load. The Buyer shall promptly notify the Seller if an Interruptible Customer fails to so interrupt. The Buyer shall keep such records, logs and information as necessary for the Seller to identify whether or to what extent the Interruptible Customer failed to interrupt or reduced load when called upon to do so, and any other information as reasonably required by the Seller in making its Installed Capability Responsibility computation consistent with NEPOOL Market Rules & Procedures, Section 20.
- 3.12 The following provisions address failures by an Interruptible Customer to interrupt or appropriately reduce load:
- 3.12.1 In the event that: (i) an Interruptible Customer fails to interrupt during an ISO OP 4 Type 2 event, and (ii) such failure was due to actions or inactions of the ISO or its satellite agency, CONVEX, and (iii) the ISO fails to accord the Seller appropriate credit for the NEPOOL products for such Interruptible Service; the Buyer, at its option, will use best efforts to advocate at its expense with the ISO to obtain the appropriate credit for the Seller, or reimburse the Seller at the market clearing price for such NEPOOL products, as posted by the ISO.
- 3.12.2 In the event that: (i) an Interruptible Customer fails to interrupt during an ISO OP 4 Type 2 event and (ii) such failure was due to actions or inactions of the Buyer, the Buyer's respective Regional Dispatch Center, or its distribution company personnel designated to contact interruptible customers, and (iii) the ISO fails to accord Seller appropriate credit for the NEPOOL products for such Interruptible Service, the Buyer will reimburse Seller an amount equal to the positive difference, if any, between the market clearing price, as posted by the ISO, for such NEPOOL products delivered during such event that otherwise would not have been required and the Interruptible Service price that would have been payable to the Seller for such NEPOOL products under this Agreement.
- 3.12.3 In the event that the ISO is experiencing an OP4 Type 2 event and if, despite the notification of the ISO and/or the Buyer, an Interruptible Customer fails to interrupt or appropriately reduce load, the Seller shall be entitled to charge the Buyer for the interruptible portion of said Customer's Contract Load Quantity which was not interrupted or reduced at the Firm Service Rate for such month and for the remaining Term, regardless of whether the Buyer is successful in applying the appropriate penalty under the Customer's Interruptible Rate

Contract.

- 3.13 The Seller shall be responsible for and shall pay all ISO and NEPOOL charges and expenses associated with the provision of SOS Interruptible Service, except for any such ISO or NEPOOL charges that are imposed directly on the Buyer in connection with the provision of Delivery Services by the Buyer.
- 3.14 The Seller shall be responsible for and shall pay all present and future taxes, fees, and levies that may be assessed by any entity in connection with the provision of SOS Interruptible Service except for (1) such taxes, fees and levies that Buyer is allowed to collect directly from the Interruptible Customers, and (2) such taxes, fees and levies that are assessed directly to the Buyer in connection with the provision of Delivery Services.

4. Charge Provisions

- 4.1 For and in consideration of the sale by the Seller to the Buyer of SOS Interruptible Service, the Buyer shall pay the per unit charges set forth in the table below for all SOS Interruptible Service supplied during the Term. For billing purposes, the unit charges set forth herein shall be applied, to the appropriate component of the Supplier Billing Amount.

Table of Charge Rates

100% Load Month, 2002	Firm Service (cents/kW-Hr.)	Interruptible Service On Peak (cents/kW-Hr)	Interruptible Service Off Peak (cents/kW-Hr.)
January	4.613	5.353	3.212
February	4.673	5.418	3.251
March	4.577	5.704	3.423
April	4.510	5.113	3.068
May	4.279	4.903	2.942
June	4.425	5.186	3.112
July	5.192	6.082	3.649
August	5.345	6.328	3.797
September	4.068	4.698	2.819
October	3.962	4.529	2.717
November	4.081	4.726	2.836
December	4.435	5.061	3.036

- 4.2 The charges set forth in Section 4.1 are the result of a competitive bid solicitation and shall apply for the entire Term unless (1) both Parties agree to a change in charges set forth in a written amendment to the Agreement, and (2) such amendment receives all required regulatory approvals.
- 4.3 It is the intent of the Parties that, except as otherwise specifically provided herein or as the Parties otherwise agree, neither the Seller nor the Buyer shall have the unilateral right to make a filing with the FERC under any Section of the Federal Power Act, or with the DTE, seeking to change the charges or any other terms or conditions set forth in this Agreement for any reason.
- 4.4 It is the intention of the Parties that any authority of the FERC or DTE to change the Agreement be strictly limited to that which applies when the contracting parties have irrevocably waived their right to seek to have the FERC or the DTE change any term of this Agreement.

5. Billing Determinants and Metering

- 5.1 The Contract Load Quantity shall be determined on a monthly basis in accordance with Appendix A.
- 5.2 The Supplier Billing Amount shall be determined monthly for each of its components (corresponding to Firm Service, Interruptible Service On Peak and Interruptible Service Off Peak). The Supplier Billing Amount will be provided by the Buyer to the Seller for purposes of billing hereunder and may be revised to reflect adjustments to the Seller's Contract Load Quantity pursuant to Appendix A. The Delivery Efficiency Factor, which is a component of the Supplier Billing Amount, shall not be subject to change or audit during the Term.
- 5.3 The Buyer shall maintain meters capable of measuring the energy use of Interruptible Customers in accordance with rules prescribed by the DTE. The accuracy of all metering equipment will be in accordance with the Buyer's normal practices and regulatory requirements applicable to the Buyer's retail distribution loads. The Seller hereby acknowledges and accepts that Buyer does not maintain meters capable of interval measurement for some of its retail load that will be served under this Agreement. The price, risk and other terms of this Agreement have been negotiated based upon these conditions and the Buyer shall not be obligated to install interval metering equipment as a result of this Agreement. The Parties agree that the obligation of the Buyer to pay for power delivered and the obligation of the Seller to deliver a specified quantity at the authorized Delivery Point is defined herein.

6. Billing and Payment

- 6.1 As soon as practicable after the end of each calendar month during the Term but not later than seven (7) Business Days after the end of such month, the Buyer shall supply the Seller its calculation of the Supplier Billing Amounts for the previous month's delivered SOS Interruptible Service. Within ten (10) days thereafter, the Seller shall submit a bill to the Buyer for all applicable charges hereunder based on such calculation.
- 6.2 Each bill rendered by Seller under this Agreement shall be subject to adjustment within ninety (90) days after the end of each month in order to true-up charges based on revisions to the Contract Load Quantity (and Supplier Billing Amount) as determined pursuant to Appendix A. After the revised Supplier Billing Amount becomes known, the Buyer shall supply to the Seller revised billing determinants and include an adjustment to the billing amount in the next monthly bill. Any revision after the ninety (90) day period will be reflected as soon as practicable and in accordance with NEPOOL and ISO practices in place at such time. All refunds or surcharges owed to either Party shall include the payment of interest calculated in accordance with the regulations of the FERC applicable to the payment of interest on refunds.
- 6.3 All bills submitted pursuant to Section 6.1 shall bear the date of rendering and shall be due and payable on or before the later of a) the last Business Day of the month following delivery of service or b) ten (10) Business Days following receipt of Seller's bill. Any amount remaining unpaid after such period shall bear interest at the rate set forth in the regulations of the FERC applicable to the payment of interest on refunds, from the due date to the date of payment by the Buyer. All payments sent by the Buyer to the Seller shall be by wire transfer.
- 6.4 If either Party disputes the amount of any bill or charges, it shall so notify the other Party in writing. The Party receiving a bill shall pay to the other Party any undisputed amount of the bill or charges when due. The disputed amount may, at the discretion of the paying Party, be held by that Party until the dispute has been resolved; provided that the paying Party shall be responsible to pay interest on any withheld amounts that are determined to have been properly billed, which shall be calculated in the same manner as interest on late payments under Section 6.3. Neither Party shall have the right to challenge any monthly bill or to bring any court or administrative action of any kind questioning the propriety of any bill after a period of twenty- four (24) months from the date the bill was due; provided, however, that in the case of a bill based on estimates, such twenty-four month period shall run from the due date of the adjusted bill.
- 6.5 In the event that the Buyer fails to pay the amount due by the due date, the Seller may notify the Buyer that, unless payment is received, it will be in default of its obligations under this Agreement. The Buyer shall have five (5) Business Days from the date of receipt of such notification from the Seller to cure its default. In the event that the default is not cured within such five (5) Business Day period, the Seller, in addition to

any other legal or equitable remedies it may have, shall have the right to terminate this Agreement upon five (5) Business Days written notice to the Buyer. In the event of such termination, the Seller may thereafter sell any of the resources it has obtained in order to meet its obligations under this Agreement in the open market. In such event, the Buyer shall be liable to the Seller for the entire positive difference between the price the Seller would have obtained for selling SOS Interruptible Service under this Agreement and the prices reasonably obtained by the Seller in the open market, plus all other brokerage fees, commissions, and other economic losses (net of gains) reasonably incurred by the Seller as a result of terminating any commercially reasonable hedges or other risk management contracts and/or entering into commercially reasonable alternate sales contracts. Nothing in this Section 6.5 shall be deemed as a waiver of any other legal or equitable remedies that the Seller may have against the Buyer for breach of this Agreement. The Parties stipulate that sales by the Seller at the applicable NEPOOL spot market prices will be deemed commercially reasonable open market prices for purposes of this Section 6.5.

- 6.6 In the event that the Seller fails to pay the amount due by the due date, the Buyer may notify the Seller that, unless payment is received, it will be in default of its obligations under this Agreement. The Seller shall have five (5) Business Days from the date of receipt of such notification from the Buyer to cure its default. In the event that the default is not cured within such five (5) Business Day period, the Buyer, in addition to any other legal or equitable remedies it may have, shall have the right to terminate this Agreement upon five (5) Business Days written notice to the Seller. In the event of such termination, the Buyer may obtain an alternative source(s) of supply of SOS Interruptible Service from the open market for the remaining Term. In such event, the Seller shall be liable to the Buyer for the entire positive difference between the cost of such alternative source(s) of supply reasonably obtained in the open market and the cost of purchasing SOS Interruptible Service under this Agreement. The cost of the alternative source(s) of supply shall include all other costs, brokerage fees, and commissions reasonably incurred by the Buyer as a result of entering into any commercially reasonable hedges or other risk management contracts and/or entering into the alternate supply arrangement(s) to replace the SOS Interruptible Service. Nothing in this Section 6.6 shall be deemed as a waiver of any other legal or equitable remedies that the Buyer may have against the Seller for breach of this Agreement. The Parties stipulate that purchases by the Buyer at the applicable NEPOOL spot market prices will be deemed commercially reasonable open market prices for purposes of this Section 6.6.

7. Liability and Force Majeure

- 7.1 The Seller shall be responsible for scheduling with or purchasing from NEPOOL a sufficient amount of all the components of SOS Interruptible Service to satisfy its service obligations hereunder at all times during the Term. To the extent that the Seller does not

own or has not acquired sufficient resources to satisfy this obligation at any time during the Term, the Seller shall purchase any deficiency from NEPOOL. Under no circumstances shall the Buyer be responsible for acquiring Power Services or other NEPOOL products to meet any portion of the Seller's SOS Interruptible Service supply obligation hereunder at any time during the Term.

- 7.2 In the event that the Seller defaults on its obligations to the Buyer, NEPOOL or the ISO in connection with this Agreement at any time during the Term, and the Seller does not cure such default within five (5) Business Days, the Buyer shall have the option (i) to terminate this Agreement or (ii) suspend all or a portion of service under this Agreement upon not less than twenty-four (24) hours but at least one Business Day notice to the Seller and obtain an alternative source(s) of supply of SOS Interruptible Service from the open market for the remaining Term. In such event, the Seller shall be liable to the Buyer for the entire positive difference between the cost of such alternative source(s) of supply reasonably obtained in the open market and the cost of purchasing SOS Interruptible Service under this Agreement. The cost of the alternative source(s) of supply shall include all other costs, brokerage fees, and commissions reasonably incurred by the Buyer as a result of entering into any commercially reasonable hedges or other risk management contracts and/or entering into the alternate supply arrangement(s) to replace the SOS Interruptible Service. Nothing in this Section 7.2 shall be deemed as a waiver of any other legal or equitable remedies that the Buyer may have against the Seller for breach of this Agreement. The Parties stipulate that purchases by the Buyer at the applicable NEPOOL spot market prices will be deemed commercially reasonable open market prices for purposes of this Section 7.2.
- 7.3 In the event that the Buyer defaults on its obligations to the Seller or NEPOOL in connection with this Agreement at any time during the Term, and the Buyer does not cure such default within five (5) Business Days, the Seller shall have the option, (i) to terminate this Agreement or (ii) suspend all or a portion of service under this Agreement upon no less than twenty-four (24) hours but at least one Business Day notice and thereafter sell any of the resources it has obtained in order to meet its obligations under this Agreement in the open market. In such event, the Buyer shall be liable to the Seller for the entire positive difference between the price the Seller would have obtained for selling SOS Interruptible Service under this Agreement and the prices reasonably obtained by the Seller in the open market, plus all other brokerage fees, commissions, and other economic losses (net of gains) reasonably incurred by the Seller as a result of terminating any commercially reasonable hedges or other risk management contracts and/or entering into commercially reasonable alternate sales contracts. Nothing in this Section 7.3 shall be deemed as a waiver of any other legal or equitable remedies that the Seller may have against the Buyer for breach of this Agreement. The Parties stipulate that sales by the Seller at the applicable NEPOOL spot market prices will be deemed commercially reasonable open market prices for purposes of this Section 7.3.

- 7.4 Notwithstanding any other provision of this Agreement, neither Party shall be liable to the other Party in the event that, due to a cause beyond the reasonable control of, and without the fault or negligence of the Party seeking to limit its liability hereunder (“Force Majeure”), NEPOOL experiences unplanned-for emergency system conditions, including but not limited to a shortage of available electric generating capacity or an insufficiency of transmission or distribution facilities required for the delivery of SOS Interruptible Service, such that NEPOOL either must suspend the supply of one or more of the products required to provide Power Services or must curtail or interrupt all or a portion of the load of the Interruptible Customers.
- 7.5 For purposes of Section 7.4, “Force Majeure” shall include, without limitation: (i) sabotage, (ii) strikes, (iii) riots or civil disturbance, (iv) acts of God, (v) act of a public enemy, (vi) drought, (vii) earthquake, (viii) flood, (ix) explosion, (x) fire, (xi) lightning, (xii) landslide, (xiii) any similar cataclysmic occurrence, or (xiv) the appropriation or diversion of electricity by sale or order of any governmental authority having jurisdiction thereof. Under no circumstances shall Force Majeure include an occurrence or event that merely increases the costs of or causes an economic hardship to a Party, or any occurrence or event that was caused by or contributed to by the Party claiming Force Majeure. In the event of a Force Majeure event described in (xiv) above which continues for a period of thirty (30) continuous days, either Party shall have the right to terminate this Agreement upon ten (10) Business Days’ prior written notice to the other Party.
- 7.6 Except as otherwise specifically provided for herein, neither Party shall be liable to the other Party for any special, indirect, incidental, consequential, or punitive damages of any kind, including but not limited to loss of use, out of pocket expenses and lost profits (past or future).
- 7.7 The remedies specified in this Section 7 for events of default shall not apply to the events of default defined in Section 8.

8. Buyer Credit/Security Assurances

9. Representations and Warranties

- 9.1 Each Party hereby represents and warrants to the other that:
- 9.1.1 It is duly organized, validly existing and in good standing under the laws of its

jurisdiction of organization and is duly qualified to do business in all jurisdictions where such qualification is required.

- 9.1.2 It has full power and authority to enter this Agreement and perform its obligations hereunder. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action and does not and will not contravene its organizational documents or conflict with, result in a breach of, or entitle any Party (with due notice or lapse of time or both) to terminate, accelerate or declare a default under, any agreement or instrument to which it is a party or by which it is bound. The execution, delivery and performance by it of this Agreement will not result in any violation by it of any law, rule or regulation applicable to it. It is not a party to, nor subject to or bound by, any judgment, injunction or decree of any court or other governmental entity which may restrict or interfere with the performance of this Agreement by it. This Agreement is its valid and binding obligation, enforceable against it in accordance with its terms, except as (i) such enforcement may be subject to bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally and (ii) the remedy of specific performance and injunctive relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.
- 9.1.3 Except as otherwise specifically provided in this Agreement, no consent, waiver, order, approval, authorization or order of, or registration, qualification or filing with, any court or other governmental agency or authority is required for the execution, delivery and performance by such Party of this Agreement and the consummation by such Party of the transactions contemplated hereby and no consent or waiver of any party to any contract to which such Party is a party or by which it is bound is required for the execution, delivery and performance by such Party of this Agreement.
- 9.1.4 There is no action, suit, grievance, arbitration or proceeding pending or, to the knowledge of such Party, threatened against or affecting such Party at law or in equity, before any federal, state, municipal or other governmental court, department, commission, board, arbitrator, bureau, agency or instrumentality that prohibits or impairs its ability to execute and deliver this Agreement. Such Party has not received written notice of any such pending or threatened investigation, inquiry or review by any governmental entity.

10. Assignment

- 10.1 Neither Party shall assign, pledge or transfer this Agreement without the prior written consent of the other Party, which consent shall not be unreasonably withheld. When

assignable, this Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the successors and assignees of the Parties, except that no assignment, pledge or other transfer of this Agreement by either Party shall operate to release the assignor, pledgor, or transferor from any of its obligations under this Agreement unless the other Party (or its successors or assigns) consents in writing to the assignment, pledge or other transfer and expressly releases the assignor, pledgor, or transferor from its obligations hereunder. Notwithstanding the foregoing, either Party may transfer or assign its interest hereunder to an affiliate or to a successor in interest of such Party by virtue of a merger, acquisition or other similar corporate transaction involving all or substantially all of the assets of the assigning Party, without obtaining the consent of the other Party, provided that the assignee has a credit status at the time of such transfer or assignment which, in the non-assigning Party's reasonable opinion, is at least as sound as that of the assignor.

11. Accounts and Records

- 11.1 The Seller and the Buyer each shall keep complete and accurate accounts and records with respect to its performance under this Agreement and shall maintain such data for a period of at least one (1) year after final billing for audit by the other Party; provided, however, that in the event of any billing dispute or pending accounting, all such accounts and records pertaining to any bill or charge in dispute or pending accounting shall be maintained until such later time as the billing dispute is resolved or the accounting is completed. If an accounting or billing dispute establishes that any bill submitted to and paid by the Buyer was for an amount greater than properly chargeable under this Agreement, the Seller shall refund to the Buyer the excess amount collected together with interest calculated in accordance with the FERC's regulations governing interest on refunds. If such accounting or billing dispute establishes that any bill submitted to and paid by the Buyer was for an amount less than properly chargeable under this Agreement, the Buyer shall make such additional payment to bring its account into balance, together with interest calculated in accordance with the regulations of the FERC applicable to the payment of interest on refunds. The Parties agree to individually and jointly request from NEPOOL or the ISO, or other appropriate source, any data or information which either Party believes is reasonably necessary for purposes of a requested accounting or resolution of a billing dispute. Each Party shall have the right, during normal business hours and at its own expense, to examine, inspect and make copies of all such accounts and records insofar as may be necessary for the purpose of ascertaining the reasonableness and accuracy of all relevant data, estimates or statement of charges submitted hereunder. Each Party supplying accounts, records or other data hereunder may require that the other Party maintain the confidentiality of such accounts, records and data and the Parties shall enter into a confidentiality agreement for this purpose. The records supplied by the Buyer to the Seller for auditing purposes hereunder shall include the Buyer's hourly calculation of its Standard Offer Service Load.

12. Indemnification

- 12.1 **Indemnification by the Buyer.** The Buyer shall indemnify, defend and hold harmless the Seller and the Seller's board members, officers, trustees, directors, agents, employees and affiliates from and against any and all claims, demands, liabilities (including reasonable attorney's fees), and judgments, fines, settlements and other amounts ("Damages") arising from any and all civil, criminal, administrative or investigative proceedings ("Claims") relating to or arising out of:
- 12.1.1 Any failure of the Buyer to observe or perform any material term or provision of this Agreement;
 - 12.1.2 Any failure of any representation or warranty made by the Buyer herein to be true in any material respect;
 - 12.1.3 Any Claim of any third party to the extent arising from the acts or omissions of the Buyer or any of its agents or employees except to the extent such acts or omissions are caused by the Seller or its affiliates; and
 - 12.1.4 Any bodily injury, death or damage to person or property caused by the Buyer and its affiliates and their respective board members, officers, managers, employees or agents or caused by their facilities, in each case in connection with or resulting from the Buyer's performance or non-performance of this Agreement except to the extent caused by an act of negligence or willful misconduct of the Seller.
- 12.2 **Indemnification by the Seller.** The Seller shall indemnify, defend and hold harmless the Buyer and the Buyer's board members, officers, trustees, directors, agents, employees and affiliates from and against any and all claims, demands, liabilities (including reasonable attorney's fees), and judgments, fines, settlements and other amounts ("Damages") arising from any and all civil, criminal, administrative or investigative proceedings ("Claims") relating to or arising out of:
- 12.2.1 Any failure of the Seller to observe or perform any material term or provision of this Agreement;
 - 12.2.2 Any failure of any representation or warranty made by the Seller herein to be true in any material respect;
 - 12.2.3 Any Claim of any third party to the extent arising from the acts or omissions of the Seller or any of its agents or employees except to the extent such acts or omissions are caused by the Buyer or its affiliates; and
 - 12.2.4 Any bodily injury, death or damage to person or property caused by the Seller and its affiliates and their respective board members, officers, managers,

employees or agents or caused by their facilities, in each case in connection with or resulting from the Seller's performance or non-performance of this Agreement except to the extent caused by an act of negligence or willful misconduct of the Buyer.

13. Notices

- 13.1 Any notice, demand, or request permitted or required under this Agreement shall be delivered in person or mailed by certified mail, postage prepaid, return receipt requested, or otherwise confirm receipt to a Party at the applicable address set forth below.

To the Buyer:

Director, Regulatory Policy and Planning
Northeast Utilities Service Company
P.O. Box 270
Hartford, CT 06141-0270

To the Seller:

Such addresses may be changed from time to time by written notice by either Party to the other Party without a need for an amendment to this Agreement.

14. Interpretation

- 14.1 The interpretation and performance of this Agreement shall be according to and controlled by the laws of the Commonwealth of Massachusetts.

15. Resolution of Disputes

- 15.1 Any dispute between the Parties involving service under this Agreement shall be referred to representatives of the Buyer and the Seller designated by the Parties for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days, or such other period as the Parties may jointly agree upon, such dispute (i) shall be submitted to arbitration and resolved in accordance with the arbitration procedure set forth in Section 15.2 of this Agreement, if it involves less than five million dollars (\$5,000,000) or (ii) may be submitted to arbitration and resolved in accordance with the arbitration procedure set forth in Section 15.2 of this Agreement if it involves five million dollars (\$5,000,000) or more and the Parties agree in writing to resolve the dispute pursuant to Section 15.2.

- 15.2 Any dispute or need of interpretation arising out of this Agreement to which this Section 15.2 is required to be applied or applies by agreement of the Parties shall be submitted, upon request of either Party, to binding arbitration by one arbitrator who has not previously been employed by either Party, is qualified by education or experience to decide the matters relating to the questions in dispute, and does not have a direct or indirect interest in either Party or the subject matter of the arbitration. Such arbitrator shall either be as mutually agreed by the Parties within thirty (30) days after written notice from the Party requesting arbitration, or failing agreement, shall be selected under the commercial arbitration rules of the American Arbitration Association (the “AAA”). Such arbitration shall be held in alternating locations of the home offices of the Parties, commencing with the home office of the Party submitting the dispute to arbitration, or in any other mutually agreed upon location. The commercial arbitration rules of the AAA shall apply to the extent not inconsistent with the rules herein specified. Either Party may initiate arbitration by written notice to the other Party and the arbitration shall be conducted according to the following: (a) the hearing shall be conducted on a confidential basis without continuance or adjournment; (b) at the conclusion of the hearing, each Party will present a suggested resolution to the arbitrator; (c) the arbitrator may select either suggested resolution or may make his or her own decision, subject to the limitation that the decision must resolve the dispute in a manner consistent with the intent of the Parties as reflected in the terms of this Agreement; (d) the arbitrator shall issue a confidential written opinion containing his or her decision; (e) the arbitration shall be concluded within 120 days following the date of the notice initiating the arbitration; (f) each Party shall divide equally the cost of the arbitrator and the hearing and each Party shall be responsible for its own expenses and those of its counsel and representatives; and (g) any offer made or the details of any negotiation regarding the dispute prior to arbitration and the cost to the Parties of their representatives and counsel shall not be admissible.
- 15.3 Each Party understands that this Agreement contains an agreement to arbitrate any dispute or need of interpretation related to this Agreement to which Section 15.2 is applied. Each Party understands that it cannot bring a lawsuit concerning any such dispute. Instead, each Party agrees to submit any such dispute to an impartial arbitrator. Any monetary award of the arbitrator may be enforced in any court of competent jurisdiction by the Party in whose favor such monetary award is made. This Section 15.3 shall not apply to any disputes that involve five million dollars (\$5,000,000) or more (provided such disputes have not been submitted to arbitration pursuant to Section 15.2), and each Party retains its respective rights to pursue all legal and equitable remedies regarding any such disputes.

16. Miscellaneous

- 16.1 Each Party shall prepare, execute, and deliver to the other Party any documents reasonably required to implement any provision hereof.
- 16.2 Any number of counterparts of this Agreement may be executed and each shall have the same force and effect as the original.
- 16.3 Failure of either Party to enforce any provision of this Agreement or to require performance by the other Party of any of the provisions hereof shall not be construed as a waiver of such provisions or affect the validity of this Agreement, any part hereof, or the right of either Party to thereafter enforce each and every provision.
- 16.4 This Agreement is made subject to all lawful orders of those state or federal regulatory bodies having jurisdiction hereof.
- 16.5 Nothing in this Agreement shall be construed as creating any relationship between the Parties other than that of independent contractor for the sale and purchase of electricity.
- 16.6 The captions to sections throughout this Agreement are intended solely to facilitate reading and reference to all sections and provisions of this Agreement. Such captions shall not affect the meaning or interpretation of this Agreement.
- 16.7 The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof. If any provision of this Agreement is held to be invalid, such provision shall not be severed from this Agreement; instead, the scope of the rights and duties created thereby shall be reduced by the smallest extent necessary to conform such provision to the applicable law, preserving to the greatest extent the intent of the Parties to create such rights and duties as set out herein. If necessary to preserve the intent of the Parties hereto, the Parties shall negotiate in good faith to amend this Agreement, adopting a substitute provision for the one deemed invalid or unenforceable that is legally binding and enforceable.

17. Amendment

- 17.1 This Agreement may be amended only by a written agreement signed by the Parties.

18. Complete and Full Agreement

- 18.1 This Agreement constitutes the entire agreement between the Parties and supersedes all previous offers, negotiations, discussions, communications and correspondence.

19. Notice of Termination

- 19.1 Upon expiration of the Term, the Buyer will not oppose and, if the Seller requests, the Buyer will support, any notice of termination which the Seller may be required to file under FERC regulations.

IN WITNESS WHEREOF, the undersigned Parties have caused this Agreement to be executed in their names by their respective duly authorized officials, as of the 11 day of October, 2001.

Northeast Utilities Service Company

By: _____
James R. Shuckerow, Jr.
Director, Wholesale Power Contracts

By: _____

Appendix A
**CALCULATION OF SUPPLIERS' STANDARD OFFER SERVICE,
DEFAULT SERVICE AND SOS INTERRUPTIBLE SERVICE LOADS**

The Contract Load Quantity will be determined in accordance with the methodology described herein which was accepted by the Massachusetts DTE for the calculation of the load responsibilities of competitive retail service suppliers in the competitive retail markets in Massachusetts, and the current settlement rules adopted by NEPOOL and the ISO. The methodology set forth below shall apply unless it is changed pursuant to lawful action of NEPOOL, the ISO or the DTE. In the event that NEPOOL, the ISO or the DTE implement any such changes, the Buyer shall promptly notify the Seller in writing of such changes.

1. Determination of the System Retail Load.

On an hourly basis, the Buyer will calculate an aggregate value representing the load of its Retail Customers (the "System Retail Load"). The System Retail Load will be computed for each hour based on the total metered output of all generation connected to the Buyer's system at or below the NEPOOL low voltage PTF, and adding to that figure the net imports into the Buyer's system (or subtracting net exports from the system) at or below the NEPOOL low voltage PTF, less non-retail loads (e.g. wholesale load served to municipalities) and low voltage PTF losses as estimated by the ISO. Low voltage NEPOOL PTF losses are subtracted to bring the System Retail Load calculated quantity to the NEPOOL PTF boundary.

2. Determination of Retail Customer Hourly Loads.

For each hour, the Buyer will calculate the loads of each of its Retail Customers using one of the following two methods:

- (a) In circumstances where the Customer has an interval recording meter (capable of recording pulses in 15 minute, or other intervals), the Retail Customer's initial hourly load is determined by these interval pulses translated or aggregated into hourly consumption quantities. The Buyer will use the actual recorded meter readings, increased to account for non-PTF losses on the Buyer's system between the Delivery Point and end-use meters in accordance with a study entitled, "Determination of Loss Factors for the Northeast Utilities System" conducted by Northeast Utilities' Transmission Planning Department dated October 1, 1989, to determine the hourly loads of the Retail Customers.
- (b) In circumstances where Retail Customers do not have interval meters capable of recording hourly consumption quantities, or where actual interval data are not available, the Buyer will determine the hourly loads of the Retail Customers using the load estimation technique filed with the DTE for purposes of calculating retail load responsibilities of competitive suppliers under the Massachusetts retail choice program. The load estimation technique will be based on load profile statistics developed for different retail customer classes and segments, and for each calendar month, and day type, based on statistical sampling of consumption patterns of Retail Customers with interval recording meters. The average load profiles developed will be scaled for individual Retail Customers using a usage factor that is calculated based on the relationship between the individual Retail Customer's usage over their prior billing period and the average retail class segment usage estimated over the same time period, and increased to account for non-PTF losses on the Buyer's system between the Delivery Point and end-use meters in accordance with a study entitled, "Determination of Loss Factors for the Northeast Utilities System" conducted by Northeast Utilities' Transmission Planning Department dated October 1, 1989.

3. Determination of Supplier Hourly Loads.

The hourly loads of each supplier serving retail load on the Buyer's system will be determined

using the following process:

- (a) Each Retail Customer will be assigned a Supplier Code based on the identity of its supplier. Those Retail Customers that have not designated a competitive supplier will be assigned the Massachusetts Standard Offer Service Supplier Code, Massachusetts Default Service Supplier Code, or SOS Interruptible Service Supplier Code as appropriate. The Retail Customer hourly loads, calculated in accordance with section 2 (a) and (b) above, associated with the Retail Customers that have been assigned the same Supplier Code (Competitive, Massachusetts Standard Offer, Massachusetts Default Service Supplier, or SOS Interruptible Service Code), will be summed for each hour.
- (b) Determination of Residual: The difference between the System Retail Load (as determined in section 1 above) and the sum of the load responsibilities of all suppliers, determined in accordance with section 3(a), will constitute the “Residual”. The Residual will be allocated to each supplier in proportion to the ratio of the estimated part of the supplier’s assigned retail customer load (as calculated in section 2(b)) to the sum of the estimated part of the Retail Customer loads of all suppliers, as calculated in section 2(b).

4. Determination of Massachusetts Standard Offer Service, Massachusetts Default Service, and SOS Interruptible Service Total Hourly Loads.

The Massachusetts Standard Offer, Massachusetts Default Service, and SOS Interruptible Service hourly loads will be determined in accordance with section 3 of this Appendix A and will include Residual allocations for Retail Customers assigned the Massachusetts Standard Offer Service Supplier Code, Massachusetts Default Service Supplier Code, and SOS Interruptible Service Supplier Code. SOS Interruptible Service includes both “Firm Service” and “Interruptible Service” as defined in the Wholesale Requirements Sales Agreement For Interruptible Contract Customers.

5. Allocation of Massachusetts Standard Offer Service and Massachusetts Default Service Supplier Hourly Loads.

- (a) The total Massachusetts Standard Offer Service hourly load will be allocated to the seller of Massachusetts Standard Offer Service based on the percentage of the total Massachusetts Standard Offer Service Load assigned to the Seller in Section 3.1 of the seller's Standard Offer Service Agreement with the Buyer.
- (b) The total Massachusetts Default Service hourly load will be allocated to the seller of Massachusetts Default Service based on the Massachusetts Default Service Load assigned to that seller in Section 3.1 of that seller's Default Service Agreement with the Buyer.
- (c) The total SOS Interruptible Service hourly load will be allocated to the Seller of SOS Interruptible Service assigned to the Seller in its Agreement with the Buyer.

6. Reporting of Competitive Supplier, Massachusetts Standard Offer Service, Massachusetts Default Service, and SOS Interruptible Service Supplier Hourly Loads.

- (a) In accordance with the rules of NEPOOL, the Buyer will report to the ISO the competitive supplier, Massachusetts Default Service, and Interruptible Service supplier hourly loads, determined in accordance with this Appendix A, within 37 hours on Business Days after the close of each day. In the ISO Settlement process, the determination of Massachusetts Standard Offer Service load by the ISO is a result of the System Retail Load values, less competitive supplier, Massachusetts Default Service, and Interruptible Service supplier hourly loads. Therefore, the ISO settlement calculation of Massachusetts Standard Offer Service load may, from time to time vary from WMECO's calculation due to potential differences in the values being used by ISO and WMECO. In the event that this occurs, WMECO will investigate the cause and, where appropriate, will request the ISO to resettle the hourly market to eliminate any discrepancy as soon as practicable. Adjustments to hourly data submitted to ISO and/or suppliers will be reflected in the Buyer's calculation of the Contract Load

Quantity. However, any adjustments not captured in the ISO hourly market settlement process, will be captured in the adjustments described in section 7 of this Appendix A.

- (b) The Contract Load Quantity for each seller of Massachusetts Standard Offer Service will be equal to the aggregate of the Massachusetts Standard Offer Service hourly loads of such seller, summed over the calendar month, as determined by WMECO in accordance with section 6(a) of this Appendix A.
- (c) The Contract Load Quantity for each seller of Massachusetts Default Service will be equal to the aggregate of the Massachusetts Default Service hourly loads of such seller, summed over the calendar month, as determined by WMECO in accordance with section 6(a) of this Appendix A.
- (d) The Contract Load Quantity for the Seller of SOS Interruptible Service will be equal to the aggregate of the SOS Interruptible Service hourly loads of such Seller, summed over the calendar month, as determined by WMECO in accordance with section 6(a) of this Appendix A.

7. Reporting of Massachusetts Standard Offer Service, Massachusetts Default Service, and SOS Interruptible Service Loads Monthly Adjustments.

In accordance with the requirements of the NEPOOL Market Rules & Procedures No. 18, within ninety (90) days following the last day of the calendar month, the Buyer will submit to the ISO any revised monthly values used to determine the System Retail Load for such month. In addition, the Buyer will also submit to the ISO, any revised monthly energy quantities for each competitive supplier, Massachusetts Default Service, and SOS Interruptible Service supplier. The ISO will then calculate the revised Massachusetts Standard Offer Service Loads as appropriate. The adjusted Contract Load Quantity for each seller of Massachusetts Standard Offer Service and Massachusetts Default Service and the Seller of SOS Interruptible Service will be based on the 90 day true-up for that month as

reported to the ISO for competitive suppliers, Massachusetts Default Service and SOS Interruptible Service suppliers, and as calculated by the WMECO for Massachusetts Standard Offer suppliers. Any revisions after the ninety (90) day period will be reflected as soon as practicable in accordance with NEPOOL and ISO practices.